

STATEMENT OF BASIS (AI No. 93675)

For Draft Louisiana Pollutant Discharge Elimination System Permit No. LA0116386 to discharge to waters of the State of Louisiana.

THE APPLICANT IS: Conrad Shipyards, LLC
Amelia Deepwater Shipyard
Post Office Box 790
Morgan City, Louisiana 70381

ISSUING OFFICE: Louisiana Department of Environmental Quality (LDEQ)
Office of Environmental Services (Office)
Post Office Box 4313
Baton Rouge, LA 70821-4313

PREPARED BY: Valerie Powe

DATE PREPARED: February 8, 2010

1. PERMIT STATUS**A. Reason For Permit Action:**

Permit re-issuance of a Louisiana Pollutant Discharge Elimination System (LPDES) permit for a 5-year term. Upon the effective date, this permit shall replace the previously effective LPDES permit LA0116386.

B. NPDES permit: NPDES permit effective date: N/A
NPDES permit expiration date: N/A
EPA has not retained enforcement authority.

C. LPDES permits: LA0116386
LPDES permit effective date: January 1, 2004
LPDES permit expiration date: December 31, 2008

D. Date Application Received: June 18, 2008

The LPDES permit expired on December 31, 2008 and the application for renewal was received June 18, 2008; therefore, the permit was administratively continued. Additional information was received on October 18, 2008, January 21, 2009, and April 15, 2010.

2. FACILITY INFORMATION**A. FACILITY TYPE/ACTIVITY:** shipyard/vessel construction and repair facility

The Amelia Deepwater Shipyard provides new construction and repair services to the Marine industry under SIC Code 3731. Products include new ships, barges, tugboats, drydocks, and other vessels. The ratio of repair to new construction will vary with client demand, economic conditions and other factors. The Deepwater facility is currently engaged in 100% repair; however, over the life of the permit, this is projected to be about 50/50%. Primary site activities are conducted on land drydocks along a 2,000' river frontage. Operations include welding and cutting of steel and aluminum plate; painting and abrasive blasting; maintenance, cleaning and fueling of equipment; deballasting; integrity testing of finished products and other ancillary activities associated with construction and repair of vessels.

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B. FEE RATE

1. Fee Rating Facility Type: Minor
2. Complexity Type: I (5pt) (BPJ of complexity designation based on the "Interim Strategy for Complexity Designation Determinations for SIC Codes 3731)
3. Wastewater Type: II
4. SIC Codes: 3731

C. LOCATION: 290 Duhon Bypass Road in Amelia, St. Mary Parish
Latitude 29° 39' 20.05"; Longitude 91° 07' 8.21".

3. OUTFALL INFORMATION

Outfall 001

Discharge Type: The intermittent discharge of stormwater from dredged fill, blast sand storage areas, blasting activities, waste and product storage, fabrication, construction and repair activities, and an equipment access road

Treatment: None. Implement Stormwater Pollution and Prevention Plan (SWPPP) and Best Management Practices (BMPs)

Location: At the point of discharge from the northwest corner of the facility adjacent to Duhon Bypass Road prior to combining with other waters

Flow: 207,594 GPD (estimated value)

Discharge Route: To an on-site ditch thence to the parish drainage ditch; thence to the Bayou Boeuf Segment of Gulf Intracoastal Waterway; and thence to Bayou Chene/Black or the Atchafalaya River

Outfall 002

Discharge Type: The intermittent discharge of stormwater from fabrication, construction, and repair activities, blasting, painting areas, materials storage, the main access road, administrative buildings and employee parking, and vehicle and equipment washdown

Treatment: None. Implement SWPPP and BMPs

Location: At the point of discharge from the confluence of the South Boundary Ditch prior to combining with other waters

Flow: 80,359 GPD (estimated value)

Discharge Route: To an on-site ditch; thence to the Bayou Boeuf Segment of Gulf Intracoastal Waterway; and thence to Bayou Chene/Black or the Atchafalaya River

Outfall 03A and 03B

Discharge Type: 03A, the intermittent discharge of incoming ballast and void water from customer barges
03B, the intermittent discharge of maintenance and drydock ballast water and void water

Treatment: None. Implement Best Management Practices (BMPs)

Location: Outfall 03A, at the point of discharge from the client void tanks prior to combining with other waters.

Outfall 03B, at the point of discharge from the five drydocks prior to combining with other waters.

Flow: 693,446 GPD (estimated value)

Discharge Route: To the Bayou Boeuf Segment of Gulf Intracoastal Waterway and thence to Bayou Chene/Black or the Atchafalaya River

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Outfall 004

Discharge Type: The intermittent discharge of drydock stormwaters, wet abrasive blasting and hydroblasting, effluents, and hull washwaters

Treatment: None. Implement SWPPP and BMPs

Location: At the point of discharge from the drydock decks prior to combining with other waters

Flow: 37,587 GPD (estimated value)

Discharge Route: Sheetflow from the drydock decks to the Bayou Boeuf Segment of Gulf Intracoastal Waterway and thence to Bayou Chene/Black or the Atchafalaya River

Outfall 005

Discharge Type: The intermittent discharge of hydrostatic test wastewater

Treatment: None. Implement BMPs

Location: At the point from the barge/vessel prior to combining with other waters.

Flow: 150,000 GPD (estimated value)

Discharge Route: To the Bayou Boeuf Segment of Gulf Intracoastal Waterway and thence to Bayou Chene/Black or the Atchafalaya River

4. RECEIVING WATERS

STREAM: Bayou Boeuf Segment of Gulf Intracoastal Waterway and thence to Bayou Chene/Black or the Atchafalaya River

According to the application, historical USGS and LDEQ Data indicate that Bayou Boeuf flows to the east into Bayou Chene and Black following the traditional route of the Gulf Intracoastal Waterway approximately 85% of the time; and west of the Atchafalaya River about 15% of the time, depending on the locking frequency of the Morgan City Locks, low flow conditions, tidal influences, and other factors.

BASIN AND SUBSEGMENT: Terrebonne; Subsegment 120403

DESIGNATED USES:

- a. primary contact recreation
- b. secondary contact recreation
- c. propagation of fish and wildlife
- d. drinking water supply
- f. agriculture

5. TMDL STATUS

The discharge include intermittent discharges of stormwater from dredged fill, blast and storage areas, blasting activities, waste and product storage, fabrication, construction, and repair activities and an equipment access road, Outfall 001; stormwater from fabrication, construction and repair activities, blasting, painting areas, materials storage, the main access road, administrative buildings and employee parking, and vehicle and equipment washdown, Outfall 002; incoming ballast and void water from customer barges, Outfall 03A; maintenance and drydock ballast water and void water, Outfall 03B; drydock stormwater, wet abrasive blasting and hydroblasting effluents, and hull washwaters, Outfall 004; and hydrostatic test waters, Outfall 005.

Subsegment 120403, Bayou Boeuf, is not listed on LDEQ's Final 2006 303(d) List. However, subsegment 120403 was previously impaired for organic enrichment/low DO for which the below TMDL's have been developed.

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The Final TMDL for dissolved oxygen and nutrients in the Middle Terrebonne Basin, subsegment 120403, was completed on March 14, 2008. This facility was not included as a point source discharger in this TMDL assessment. Based on an evaluation of the discharges from this facility, it was determined that the permittee does have the potential to discharge oxygen-demanding constituents. However, due to the infrequent and intermittent nature of this discharge, there is no reasonable potential for it to contribute to these impairments. To further protect the receiving waterbody from oxygen demanding constituents, the permit does retain and/or establish limitations for TOC (Outfalls 001, 004, and 005) and COD (Outfalls 002, 03A and 03B). A DMR review was also conducted for the monitoring period of January 2007 through September 2009. There were no effluent excursions reported for oxygen demanding constituents during this time period.

In regard to nutrients (Phosphorus and Nitrate plus Nitrite), LDEQ has determined that Organic Enrichment/DO directly correlates with overall nutrient impact. Thus, when Organic Enrichment/DO is limited, the LDEQ is in effect also limiting and controlling nutrient concentrations and impacts.

6. PROPOSED EFFLUENT LIMITS

BASIS: See Rationale below.

7. COMPLIANCE HISTORY/COMMENTS

Air (EDMS # 39633223 and 43751591):

Compliance Order and Notice of Potential Penalty AE-CN-0067 was issued on January 28, 2009 for permit limit exceedances associated with surface coating operations. Amended Compliance Order and Notice of Potential Penalty AE-CN-0067A was issued on October 22, 2009 to remove portions of the Findings of Fact.

Water:

DMR review: There were no DMR violations noted from January 31, 2007 to September 30, 2009.

Inspection (EDMS# 46257052): As a result of a request for inspection, a compliance evaluation inspection was conducted on March 2, 2010. No discharges from permitted outfalls occurred at the time of the inspection. No spills or sheen was observed during inspection and no areas of concern were noted. The spill prevention and stormwater pollution prevention plans were updated last on October of 2009.

Spill (EDMS #45277102): A spill was reported on December 30, 2009, for the release of 3,000 gallons of diesel on the ground and into the Intracoastal Waterway. The incident was caused by bolts failing to secure the hatch on the tank. There were no public or private wells in the immediate vicinity of the skimmers.

All other media: None

8. CHANGES FROM EXISTING PERMIT

The following changes are proposed from the existing January 1, 2004 LPDES permit:

1. The front gate coordinates have been revised,

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2. The addition of three drydocks,
3. A location change for Outfall 001,
4. The addition of ballast effluent for Outfall 03A (incoming client ballast),
5. The addition of Outfall 004, wet abrasive blasting and hydroblasting effluents, and hull washwaters,
6. The addition of Outfall 005, non-oily hydrostatic test waters, and
7. The construction of a new slip on the north side of the facility.

Other changes include:

1. Numerous changes to Part II due to updates to departmental guidance concerning the permitting of ship building and repairing facilities, and
2. Discharge Monitoring Report (DMR) Requirements have been updated to include new language which allows for electronic DMR submittals.
3. Outfall 002 will include equipment washwater limitations (Flow, COD, Oil and Grease, pH, TSS, and Visible Sheen) since facility discharges vehicle and equipment washwater.
4. Due to departmental guidance of ship building and repairing facilities, the monitoring frequency for Outfall 03B, maintenance and/or dry dock ballast water, has been revised from 1/month to 1/event.

This Office has granted the approval of the aforementioned changes from the existing permit.

9. PERMIT LIMIT RATIONALE

The following sections set forth the principal facts and the significant factual, legal, methodological, and policy questions considered in preparing the draft permit.

Outfall 001: The intermittent discharge of stormwater from dredged fill, blast sand storage areas, blasting activities, waste and product storage, fabrication, construction and repair activities, and an equipment access road

Parameter	Monthly Average	Daily Maximum	Frequency	Sample Type
Flow, GPD	Report	Report	1/month	Estimate
TOC	---	50 mg/L	1/month	Grab
Oil & Grease	---	15 mg/L	1/month	Grab
pH	6.0 min.	9.0 max.	1/month	Grab

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Site-Specific Consideration(s)

Flow: established in accordance with LAC 33:IX.2707.I.1.b at a frequency of 1/month. These requirements have been retained from the administratively continued LPDES permit, effective January 1, 2004.

TOC: effluent limitations are consistent with current LDEQ stormwater guidance and current permitted facilities with similar operations at a frequency of 1/month. These requirements have been retained from the administratively continued LPDES permit, effective January 1, 2004.

Oil & Grease: effluent limitations are consistent with current LDEQ stormwater guidance and current permitted facilities with similar operations at a frequency of 1/month. These requirements have been retained from the administratively continued LPDES permit, effective January 1, 2004.

pH: effluent limitations are established in accordance with LAC33:IX.1113.C.1 and shall be monitored at a frequency of 1/month. These requirements have been retained from the administratively continued LPDES permit, effective January 1, 2004.

Outfall 002: The intermittent discharge of stormwater from fabrication, construction, and repair activities, blasting, painting areas, materials storage, the main access road, administrative buildings and employees parking, and vehicle and equipment washdown

Parameter	Monthly Average	Daily Maximum	Frequency	Sample Type
Flow, GPD	Report	Report	1/month	Estimate
COD	200 mg/L	300 mg/L	1/month	Grab
TSS	---	45 mg/L	1/month	Grab
Oil & Grease	---	15 mg/L	1/month	Grab
pH	6.0 min.	9.0 max.	1/month	Grab
Visible Sheen	N/A	N/A	1/month	Observation

Site-Specific Consideration(s)

Flow: established in accordance with LAC 33:IX.2707.I.1.b at a frequency of 1/month. These requirements have been retained from the administratively continued LPDES permit, effective January 1, 2004.

COD: effluent limitations are consistent with the current Light Commercial Facilities General Permit (LAG480000) and current permitted facilities with similar operations at a frequency of 1/month.

Oil & Grease: effluent limitations are consistent with the current Light Commercial Facilities General Permit (LAG480000) and current permitted facilities with similar operations at a frequency of 1/month. These requirements have been retained from the administratively continued LPDES permit, effective January 1, 2004.

TSS: effluent limitations are consistent with the current Light Commercial Facilities General Permit (LAG480000) and current permitted facilities with similar operations at a frequency of 1/month.

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pH: effluent limitations are established in accordance with LAC33:IX.1113.C.1 and shall be monitored at a frequency of 1/month. These requirements have been retained from the administratively continued LPDES permit, effective January 1, 2004.

Visible Sheen: established consistent with the Light Commercial Facilities General Permit (LAG480000) and current permitted facilities with similar operations at a frequency of 1/day.

Outfall 03A: The intermittent discharge of incoming ballast and void water from customer barges

Parameter	Monthly Average	Daily Maximum	Frequency	Sample Type
Flow, GPD	Report	Report	1/week	Estimate
COD	---	250 mg/L	1/week	Grab
Oil & Grease	---	15 mg/L	1/week	Grab
pH	6.0 min.	9.0 max.	1/week	Grab

Site-Specific Consideration(s)

Flow: established in accordance with LAC 33:IX.2707.1.1.b at a frequency of 1/week.

COD: effluent limitations are consistent with current LDEQ stormwater guidance and current permitted facilities with similar operations at a frequency of 1/week.

Oil & Grease: effluent limitations are consistent with current LDEQ stormwater guidance and current permitted facilities with similar operations at a frequency of 1/week.

pH: effluent limitations are established in accordance with LAC33:IX.1113.C.1 and shall be monitored at a frequency of 1/week.

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Outfall 03B: The intermittent discharge of maintenance and drydock ballast water and void water

Parameter	Monthly Average	Daily Maximum	Frequency	Sample Type
Flow, GPD	Report	Report	1/event	Estimate
COD	---	250 mg/L	1/event	Grab
Oil & Grease	---	15 mg/L	1/event	Grab
pH	6.0 min.	9.0 max.	1/month	Grab
Visible Sheen		No presence	1/day	Observation

Site-Specific Consideration(s)

Flow: established in accordance with LAC 33:IX.2707.1.1.b at a frequency of 1/event.

COD: effluent limitations are consistent with current LDEQ stormwater guidance and current permitted facilities with similar operations at a frequency of 1/event when a visible sheen is present.

Oil & Grease: effluent limitations are consistent with current LDEQ stormwater guidance and current permitted facilities with similar operations at a frequency of 1/event when a visible sheen is present.

pH: effluent limitations are established in accordance with LAC33:IX.1113.C.1 and shall be monitored at a frequency of 1/month.

Visible Sheen: established consistent with the Light Commercial Facilities General Permit (LAG480000) and current permitted facilities with similar operations at a frequency of 1/day.

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Outfall 004: The intermittent discharge of drydock stormwaters, wet abrasive blasting and hydroblasting effluents, and hull washwaters

Parameter	Monthly Average	Daily Maximum	Frequency	Sample Type
Flow, GPD	Report	Report	1/month	Estimate
TOC	---	50 mg/L	1/month	Grab
Oil & Grease	---	15 mg/L	1/month	Grab
pH	6.0 min.	9.0 max.	1/month	Grab

Site-Specific Consideration(s)

Flow: established in accordance with LAC 33:IX.2707.1.1.b at a frequency of 1/month.

TOC: effluent limitations are consistent with current LDEQ stormwater guidance and current permitted facilities with similar operations at a frequency of 1/month.

Oil & Grease: effluent limitations are consistent with current LDEQ stormwater guidance and current permitted facilities with similar operations at a frequency of 1/month.

pH: effluent limitations are established in accordance with LAC33:IX.1113.C.1 and shall be monitored at a frequency of 1/month.

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Outfall 005: Intermittent discharge of hydrostatic test wastewater

Parameter	Monthly Average	Daily Maximum	Frequency	Sample Type
Flow, GPD	Report	Report	1/event	Estimate
Oil and Grease	---	15 mg/L	1/ prior to discharge	Grab
TSS	---	90 mg/L	1/ prior to discharge	Grab
Benzene	---	50 ug/L	1/ prior to discharge	Grab
BTEX	---	250 ug/L	1/ prior to discharge	Grab
TOC	---	50 mg/L	1/ prior to discharge	Grab
Lead	---	50 ug/L	1/ prior to discharge	Grab
pH	6.0 min.	9.0 max.	1/prior to discharge	Grab

Site-Specific Consideration(s)

Flow: established in accordance with LAC 33:IX.2707.1.1.b at a frequency of once per event.

Oil and Grease: effluent limitations are consistent with LPDES Hydrostatic Test and Vessel Testing Wastewater General Permit, LAG670000 and permitted facilities with similar operations at a frequency of once prior to discharge.

TSS: effluent limitations are consistent with LPDES Hydrostatic Test and Vessel Testing Wastewater General Permit, LAG670000 and permitted facilities with similar operations at a frequency of once prior to discharge.

Benzene: effluent limitations are consistent with LPDES Hydrostatic Test and Vessel Testing Wastewater General Permit, LAG670000 and permitted facilities with similar operations at a frequency of once prior to discharge.

BTEX: effluent limitations are consistent with LPDES Hydrostatic Test and Vessel Testing Wastewater General Permit, LAG670000 and permitted facilities with similar operations at a frequency of once prior to discharge.

TOC: effluent limitations are consistent with LPDES Hydrostatic Test and Vessel Testing Wastewater General Permit, LAG670000 and permitted facilities with similar operations at a frequency of once prior to discharge.

Lead: effluent limitations are consistent with LPDES Hydrostatic Test and Vessel Testing Wastewater General Permit, LAG670000 and permitted facilities with similar operations at a frequency of once prior to discharge.

pH: effluent limitations are established in accordance with LAC33:IX.1113.C.1 and shall be monitored at a frequency of 1/prior to discharge.

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10. ENDANGERED SPECIES

The receiving waterbodies, Bayou Boeuf Segment of Gulf Intracoastal Waterway; and thence to Bayou Chene/Black or the Atchafalaya River, Subsegment 120403 of the Terrebonne Basin, has not been identified by the U.S. Fish and Wildlife Service (FWS) as habitat for any species, which are listed federally as a threatened species. Also, this type of discharge is not listed in Section II.2 of the Implementation Strategy as requiring consultation with the U.S. Fish and Wildlife Service (FWS). This strategy was submitted with a letter dated January 11, 2010 from Rieck (FWS) to Nolan (LDEQ). Therefore, in accordance with the Memorandum of Understanding between the LDEQ and the FWS, no further informal (Section 7, Endangered Species Act) consultation is required. The effluent limitations established in the permit ensure protection of aquatic life and maintenance of the receiving water as aquatic habitat. Therefore, the issuance of the LPDES permit is not likely to have an adverse effect on any endangered or candidate species, or the critical habitat.

11. HISTORIC SITES

The discharge is from an existing facility location, which does not include an expansion on undisturbed soils. Therefore, there should be no potential effect to sites or properties on or eligible for listing on the National Register of Historic Places, and in accordance with the "Memorandum of Understanding for the Protection of Historic Properties in Louisiana Regarding LPDES Permits" no consultation with the Louisiana State Historic Preservation Officer is required.

12. TENTATIVE DETERMINATION

On the basis of preliminary staff review, the Louisiana Department of Environmental Quality has made a tentative determination to issue a permit for the discharges described in the notice of intent.

13. PUBLIC NOTICES

Upon publication of the public notice, a public comment period shall begin on the date of publication and last for at least 30 days thereafter. During this period, any interested persons may submit written comments on the draft permit and may request a public hearing to clarify issues involved in the permit decision at this Office's address on the first page of the statement of basis. A request for a public hearing shall be in writing and shall state the nature of the issues proposed to be raised in the hearing.

Public notice published in:

Local newspaper of general circulation;

Office of Environmental Services Public Notice Mailing List

14. STORMWATER POLLUTION PREVENTION PLAN (SWP3) REQUIREMENT

The SWP3 shall be modified, implemented, and maintained within six (6) months of the effective date of the final permit. The plan should identify potential sources of stormwater pollution and ensure the implementation of practices to prevent and reduce pollutants in stormwater discharges associated with industrial activity at the facility.